

Settlement Agreement

This Settlement Agreement is made this ____ day of March, 2007 by and between Gary M. Kruger ("Kruger") and Windermere Services Company.

Kruger filed an action against Windermere Real Estate/Northeast, Inc. and its sales associate concerning Kruger's purchase of a house in Seattle. The case was dismissed on summary judgment. Kruger disagrees with the dismissal and continues to believe in the merits of his claim. Since the dismissal, Kruger has created a website, windmerewatch.com, and has sent mailings detailing his claims and discouraging the use of Windermere services. Windermere has filed a lawsuit for defamation and commercial disparagement over some of the statements made in the web site and mailings. The parties have agreed to resolve their dispute on the terms of this Agreement.

1. Windermere and Kruger agree to dismiss the pending action (King County Cause No. 05-2-34433-4 SEA) with prejudice and without costs or fees to any party.

2. Kruger agrees that he will cease all efforts of any kind to (a) publicize his complaints with or about Windermere Real Estate and its agents, (b) to discourage anyone from using the services of Windermere Real Estate, or (c) to publicly state opinions or beliefs about Windermere Real Estate. This prohibition includes methods such as publishing comments on web sites, mailings, press releases, signs, statements to reporters, comments on talk shows, and advertisements. Kruger shall promptly remove any active postings, web sites, publications, advertisements or other disseminations that violate this paragraph, including the windmerewatch.com website. Kruger agrees not to register any other websites with the Windermere name.

3. This Agreement shall not constitute an agreement by Kruger that any statement he has made was false, defamatory or otherwise improper. This Agreement shall not prohibit Kruger from orally discussing the case or his experiences with friends and acquaintances, but shall prohibit any public dissemination or broadcast of that information, and any attempt to get others to repeat or broadcast the information shall violate this Agreement.

4. Kruger and Windermere agree that any breach of this Agreement by Kruger could cause immense harm to Windermere, and that injunctive relief would be warranted in the event of breach of the agreement. The parties agree that this Agreement, is intended to be enforceable by motion under the pending action. Should any motion, or complaint be filed or any claim be made arising out of the alleged breach of any of the provisions of this Agreement or for the purpose of enforcing any of its provisions, the prevailing party shall be entitled to recover its reasonable attorneys' fees from the other party as determined by the trial court. If any appeal is taken from the decision of the trial court, the prevailing party shall also be entitled to recover its additional attorneys' fees on appeal as determined by the appellate court. The parties expressly agree that money

